

# News Release



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## **U.S. Labor Department Obtains Agreement with Fremont, California Firm Restoring Employees' 401(k) Assets**

**SAN FRANCISCO** – The U.S. Department of Labor obtained an agreement with the former owners of defunct Russett Diesel, a Fremont-based trucking company, to restore assets to the company's 401(k) plan.

Under a consent order, William Russett, Sr., and his son, William Russett, Jr. agreed to forfeit their balances in the company's 401(k) plan to provide partial restitution to the former employees participating in the plan. William Russett, Sr. was the former president and CEO of the company while his son was the company's general manager. The Russetts, who also were trustees of the 401(k), had plan accounts valued at approximately \$200,000.

"The Department of Labor will aggressively enforce the law to protect the retirement funds of this nation's hardworking men and women," said Ann L. Combs, Assistant Secretary of the Employee Benefits Security Administration (EBSA).

The court action also permanently bars William Russett, Sr. from serving any employee benefit plan governed by the Employee Retirement Income Security Act (ERISA), and bars Russett, Jr. from serving in a fiduciary capacity for 15 years.

The action partially resolves a 2001 lawsuit filed by the Labor Department against the company and the Russetts seeking more than \$400,000 in employee contributions, loan repayments, and accrued interest. In the suit, the Labor Department alleged that the Russetts commingled employees' contributions and loan repayments with the general corporate account when the company had insufficient funds to meet other financial obligations. The company deducted the funds from the paychecks of 35 employees, but never forwarded the money to the 401(k) trust fund.

Russett, Sr. filed for personal bankruptcy in 2003. In an effort to recover additional funds for participants, new plan fiduciaries placed a lien on property owned by the Russetts. Proceeds from any future sale of the property would help to repay the plan participants. In the agreement with the Labor Department, the Russetts agreed not object to the lien.

In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. The San Francisco regional office of EBSA investigated the case. Employers and workers with questions or concerns regarding their private-sector pension and health plans can contact the EBSA regional office in San Francisco at (415) 975-4600 or EBSA's toll free number, 1-866-444-EBSA (3272). Information is also available from the agency's web site at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

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(Chao v. Russett, et al, Case Number C 01-3292 (JL), Northern District of California)

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